



**NATIONAL BANK  
OF THE REPUBLIC OF BELARUS**

**RESOLUTION OF THE BOARD**

March 31, 2020      No. 100  
Minsk

On calculation of debt burden  
and loan coverage ratios

Pursuant to paragraphs eleven, fourteen, and twenty six of Article 26, Part one of Article 39, part one of Article 125 in the Banking Code of the Republic of Belarus, the Board of the National Bank of the Republic of Belarus shall RESOLVE:

1. The following shall be established:
  - 1.1. When assessing creditworthiness of an applicant (borrower) who is a natural person, except for individual entrepreneurs (hereinafter the Natural Person), the bank shall apply the debt burden ratio to allocated consumer loan, and the loan coverage ratio to allocated real estate financing loan.
  - 1.2. For the purpose of the present Resolution, the terms defined below shall have the following meanings:
    - 1.2.1. installment loans to natural persons, in particular, with the use of personal bank cards, shall be allocated subject to the following requirements:

availability of the agreement signed by and between the bank and a commercial (service) organization, providing that should the borrower (including the owner of the bank card in case of card payment) purchase any goods (work, service) from such organization on account of loan funds, such commercial (service) organization shall pay a fee to the lender;

allocation of loan to a natural person at interest well below than interest on loan allocated by the bank in the absence of agreements mentioned in paragraph two of this sub-item;

- 1.2.2. a commercial (service) organization – means a legal entity, foreign organization which is not a legal entity under foreign laws, individual entrepreneur engaged in sale of foodstuff (non-foods) or execution (provision) of different types of work (services), including services related to promotion of sales of such goods (work, services);
- 1.2.3. the terms “revolving loan facility”, “applicant”, “loan”, “lending”, “borrower”, “creditworthiness”, “overdraft limit”, “overdraft loan”, “refinancing of loan” shall be used in the meanings defined by paragraphs two, four, five, seven, nine, ten, eleven, fifteen, nineteen of item 2 in the Instruction on Procedure of Funds Provision in the Form of Loans and Repayment (Redemption) Thereof approved by Resolution of the Board of the National Bank, Republic of Belarus, No. 149 dated March 29, 2018.
- 1.3. The interest rate that is well below than interest on loan allocated by the bank to natural persons in the absence of agreements mentioned in paragraph two of sub-item 1.2.1 of this item shall be deemed the interest rate not exceeding  $\frac{2}{3}$  of the estimated standard risk value as of the date of the debt burden ratio calculation.
- 1.4. For calculation of the debt burden ratio of a natural person the following shall be designated as consumer loans:  
overdraft loans;  
student loans;  
loans for purchase of motor vehicles and agricultural vehicles;  
loans for carrying out activities not related to entrepreneurial business under applicable law (rendering services in the area of farm tourism, craft activity, etc.);  
installment loans;  
other loans, in particular those which intended use has not been determined, except for real estate financing loans.
- 1.5. The debt burden ratio shall be calculated as a percentage ratio of the natural person’s monthly payment amount to the level of his/her average monthly income.

The following shall be included in the monthly payment amount:

monthly loan payment;

monthly payment for lending-nature transactions (payments under loan agreements, loan agreements signed with microlenders, factoring

agreements, leasing agreements and other agreements signed by natural persons as of the date of the debt burden ratio calculation);

an overdue amount accumulated under agreements signed by natural persons when conducting lending-nature transactions, in full;

monthly payment under commercial loan agreements (retail sale of goods on credit; deferred payment or installment payment for goods sold at retail) provided to natural persons;

other payments made by natural persons in accordance with their obligations.

Should a refinancing loan agreement be signed:

for full satisfaction of obligations under the loan agreement signed earlier, the refinanced loan payment shall be deemed equal to zero;

for partial satisfaction of obligations under the loan agreement signed earlier, the refinanced loan payment shall be calculated based on the portion of obligations under such agreement that remains unfulfilled after signing the loan agreement.

To calculate the debt burden ratio, the bank shall consider existence of the natural person's obligations in the event that such natural person is a guarantor in accordance with the procedure established by the bank.

- 1.6. To determine the amount of monthly payments under loan agreements (AMP), the following formula shall be used for calculation of the debt burden ratio:

$$AMP = \frac{L}{T} + \frac{L \times Rt}{12 \times 100'}$$

where L is an overdraft limit, aggregate loan limit under any revolving loan facility, an outstanding debt under earlier loan (except for overdraft loan and revolving loan facility), amount of allocated loan;

T – is a quantity of months remaining to full loan repayment (redemption);

Rt – is an annual interest rate. Should the conditions of the loan agreement provide for different interest rates, the maximum annual interest rate fixed by such loan agreement shall be included in the calculation. Should there be no information on the interest rate under the loan agreement, the estimated standard risk level as of the date of debt burden ratio calculation shall be included in the calculation.

T may not exceed:

12 months – for overdraft loans, revolving loan facilities;

84 months – for loans for purchase of motor vehicles, agricultural vehicles; student loans (except for overdraft loans, revolving loan facilities);

60 months – for other consumer loans.

For installment loans T shall be deemed equal to the minimal number of months for which installment may be provided, but not exceeding 12 months.

For loans which allocation or repayment (redemption), including payment of loan interest, is made through the use of State support according to the laws in place, and for loans to purchase goods produced in the territory of the Republic of Belarus, T shall be deemed equal to the number of months remaining to full loan repayment.

- 1.7. The debt burden ratio may not exceed 40 percent. Exceeding the specified value shall be permissible for loan debt (with due regard to allocated loan) not exceeding 10 percent of the total debt on consumer loans.
- 1.8. To calculate the monthly average income level, income earned by a natural person in monetary form from different sources after mandatory deduction from applicant's income as required by law is taken into account.

To calculate the monthly average income level of a natural person, the bank shall take account of proved income.

Should the bank, when calculating the monthly average income level, apply the declarative principle of information submission by such natural person, the lower of the following values shall be taken into account for calculation:

income level reported by the natural person;

nominal payable average (average monthly) salaries of employees by regions and the city of Minsk, based on publicly disclosed data, in particular, on the web-site of the National Statistics Committee, depending on the place of residence and stay of such natural person;

nominal payable average (average monthly) salaries of employees by types of business activities, based on publicly disclosed data, in particular, on the web-site of the National Statistics Committee, depending on the type of business activity of such natural person;

the average pension awarded under applicable law, based on publicly disclosed data, in particular, on the web-site of the National Statistics Committee;

other values fixed by the bank, not exceeding the vales listed in paragraphs three to five of this Part.

- 1.9. The authorized body of the bank shall approve local legal acts providing the following for the task of assessment of natural person's creditworthiness:

the list and procedure of receipt of income confirming documents from the natural person, and obtaining of information on the natural person's income by the bank;

the list of types of income taken into account for calculation of the average monthly income of such natural person;

approaches to evaluation of income of the natural person with due regard to special aspects of different types of income and loans;

procedure of verification of information submitted by the natural person in paper form or electronic format, used for calculation of the average monthly income of such natural person.

- 1.10. To assess creditworthiness of a natural person when allocating a real estate financing loan, the bank shall apply the loan coverage ratio calculated as a percentage ratio of the loan amount to the value of the real property taken in pledge as collateral and/or other collateral values according to the agreement.

- 1.11. The loan coverage ratio may not exceed 90 percent. Exceeding the specified value in the range from 90 to 100 percent shall be permissible for loan debt not exceeding 10 percent of the total debt on real estate financing loans (with due regard to allocated loan and disregarding loan debts that are allocated or repaid (redeemed), including payment of a portion of loan interest, through the use of State support according to the laws in place).

2. This resolution shall come into effect from May 1, 2020.

Chairman of the Board

P.V. Kallaur